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Yugoslavia Key Points

- Secessionist sentiment seemed to be growing as Slovenia headed toward the first round of assembly and presidency elections on 8 April.
- The campaign for April assembly elections in Croatia was increasingly dominated by the ultranationalistic Croatian Democratic Union, whose growing support was pushing the other parties toward more nationalistic positions.
- New violence by ethnic Albanians in Kosovo over allegations that several hundred Albanian schoolchildren had been poisoned was exploited by Serbia to tighten control over the province.
- The signing in mid-March of a \$600 million IMF standby loan gave a much-needed boost to Premier Markovic's economic reform program, but the required tightening of money supply almost certainly will force the shutdown of many firms dependent on government funds. [REDACTED]

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Rising nationalist sentiment further strained Yugoslavia's political and social cohesion. [REDACTED]

Political Process. Nationalist tensions and secessionist sentiment intensified as the campaign for April elections in the northern republics of Slovenia and Croatia reached high gear. In Slovenia, the social democratic opposition coalition DEMOS appeared to be pulling ahead with its call for looser ties to the federation. In response to the public's growing

"Slovenia is a lifeboat chained to the Yugoslav Titanic." - Dimitrij Rupel, DEMOS candidate for position on the Slovene state presidency.

"anti-Belgrade" outlook, the Slovene Assembly in early March declared the republic's economic independence and decided to draft a proposal for a "confederal" Yugoslavia. Assembly leaders threatened to consider secession if Belgrade rejected the proposal. [REDACTED]

The electoral campaign also stirred up strong nationalist feeling in neighboring Croatia. The ultranationalist Croatian Democratic Union (CDU) claims to have emerged as the largest single party. The CDU may have increased its support as the result of an unsuccessful attack on its leader by a Serbian gunman during a provocative rally in mid-March. Adding to the tension is the fact that ethnic Serbs are forming armed vigilante groups. The CDU's popularity has forced the leading opposition group—the center-right Coalition of National Accord—toward more nationalistic positions. It recently demanded the right to secede and invited leaders of a nationalist group quashed by Tito in 1971 to join it. Support for the Communists appeared even weaker than in Slovenia. [REDACTED]

Control of Society. Belgrade's ability to maintain order was once again tested in Serbia's Kosovo Province. Mobs of angry ethnic Albanians attacked and injured several Serbs and Montenegrins in late March following allegations that several hundred

Albanian schoolchildren had been poisoned. Medical examiners could find no evidence of poisoning and federal and Army spokesmen labeled the charges a provocation by ethnic Albanian extremists. Serbia exploited the incident to extend control over the province, replacing Kosovo's Interior Minister and purging police officials in several Kosovo towns. There was also an upsurge of extremist Serbian demands earlier in the month, as ultranationalist alternative groups in Serbia called for banning all ethnic Albanian political parties, ending Kosovo's "autonomous" status, and placing it under martial law for the next decade. [REDACTED]

Management of the Economy. The signing in mid-March of a \$600 million, 18-month IMF standby loan provided a much-needed impetus for Premier Markovic's economic reform program. The Fund, however, imposed severe requirements that will be very unpopular politically, including a 5-percent reduction in the money supply by yearend and near-elimination of the banking system's ability to expand credit. [REDACTED] with Yugoslav businesses already reeling from the sharp reduction in the money supply since February, pressure was building for Markovic to ease up. The usually supportive Slovenes were leading the opposition and were withholding tax payments to the federation in order to prop up money-losing Slovene firms. [REDACTED]

Foreign Relations. Premier Markovic reportedly made a strong pitch for association status with the EC and for increased economic assistance during talks with EC Commission President Delors in Brussels in early March. No firm commitments were made on either request. Belgrade did, however, receive a \$100 million loan from the European Free Trade Association for a development fund to restructure the economy. [REDACTED]